



Order Filed on February 14, 2025  
by Clerk  
U.S. Bankruptcy Court  
District of New Jersey

**UNITED STATES BANKRUPTCY COURT  
DISTRICT OF NEW JERSEY**

*Caption in Compliance with D.N.J. LBR 9004-1(b)*

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*Proposed Counsel to the Debtors and Debtors in Possession*

In re:

NEW JERSEY ORTHOPAEDIC INSTITUTE LLC,

Debtor.

Tax I.D. No. 80-0403560

In re:

NORTHLANDS ORTHOPAEDIC INSTITUTE LLC,

Debtor.

Tax I.D. No. 83-0549828

NEW JERSEY ORTHOPAEDIC INSTITUTE LLC  
and NORTHLANDS ORTHOPAEDIC INSTITUTE  
LLC,

Plaintiffs,

v.

ANTHONY FESTA, M.D., ANTHONY SCILLIA,  
M.D., CRAIG WRIGHT, M.D., JOHN  
CALLAGHAN, M.D., CASEY PIERCE, M.D., AND  
ACADEMY ORTHOPAEDICS LLC,

Defendants.

Chapter 11

Case No. 25-11370 (JKS)

(Joint Administration Requested)

Chapter 11

Case No. 25-11372 (JKS)

(Joint Administration Requested)

Adv. Pro. No. 25-01036 (JKS)

**INTERIM ORDER TO AVOID AND RECOVER PREFERENTIAL TRANSFERS,  
ENFORCE THE AUTOMATIC  
STAY PURSUANT TO 11 U.S.C. §362, AND ORDER TO SHOW CAUSE**

**DATED: FEBRUARY 14, 2025**

  
Honorable John K. Sherwood  
United States Bankruptcy Court

The relief set forth below is hereby **ORDERED**.

This matter having been brought before the court upon the *Verified Complaint of New Jersey Orthopaedic Institute LLC and Northlands Orthopaedic Institute LLC* (collectively, the “**Debtors**”), through their proposed counsel, Saul Ewing LLP, and upon the objections of the defendant’s and Judgement Creditors, Anthony Festa, M.D., Anthony Scillia, M.D., Craig Wright, M.D., John Callaghan, M.D., Casey Peirce, M.D. and Academy Orthopaedics, LLC (collectively, the “**Judgment Creditors**”) and the Court having considered the Verified Complaint submitted, and for good cause shown, and for the reasons set forth on the record at the hearing on February 13, 2025,

IT IS HEREBY ORDERED that the Morris County Sheriff is to immediately notify the Debtors’ banks listed below to remove the levy placed upon the accounts listed below:

<b>Bank Name</b>	<b>Entity Name</b>	<b>Last 4 digits of account number</b>	<b>Account Type</b>	<b>Petition Date Balance<sup>1</sup></b>
Wells Fargo	New Jersey Orthopaedic Institute	5229	Operating	\$2,572.98
Wells Fargo	New Jersey Orthopaedic Institute	5179	Payroll	\$13,999.30

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<sup>1</sup> These totals include funds subject to the Judgment Creditors’ levy.

Wells Fargo	Northlands Orthopaedic Institute	2324	Operating	\$641,228.15
Valley National Bank	New Jersey Orthopaedic Institute	9931	Operating	\$26,262.86
Valley National Bank	New Jersey Orthopaedic Institute	7645	Saving	\$10.00

IT IS FURTHER ORDERED that the Judgment Creditors shall cooperate with the Debtors in all respects to confirm or complete the release of the levy pursuant to this Order, including executing any document required by the Sheriff or banks.

IT IS FURTHER ORDERED that, as soon as possible after the levy is released on these accounts, the Debtors shall cause to be transferred by wire the amount of \$657,800.43 (the “**Levied Deposits**”) to the attorney trust account of Saul Ewing LLP. The Debtors shall provide immediate notice and confirmation to Judgment Creditors once the transfer to the attorney trust account of Saul Ewing LLP has been made.

IT IS FURTHER ORDERED that, as adequate protection of their asserted interest, the Judgment Creditors are granted first-priority liens on the Levied Deposits, and super priority administrative claims for any diminution in value of their asserted interest in the Levied Deposits, on an interim basis and also upon the funds released from the Valley National Bank account to the Debtors. These liens and super priority administrative claims relate back to, and have the same validity and extent as the liens of the levy released by this Order, to be determined by a further Order of the Court..

IT IS FURTHER ORDERED that, the funds levied in the attorney trust account of Frier Levitt, LLC, in the amount of \$1,750,000 (“**Escrowed Deposits**”) shall remain subject to levy, and not released until further Order of the Court.

IT IS FURTHER ORDERED that neither the Debtors nor their agents may disburse the Levied Deposits or Escrowed Deposits without a further order of the Court, and that a violation of this paragraph will subject the violator to sanctions.

A further hearing in this matter will be held before the Honorable John K. Sherwood, United States Bankruptcy Judge, United States Bankruptcy Court for the District of New Jersey, Courtroom 3D, 50 Walnut Street, Newark, New Jersey 07102 on February 26, 2025 at 10:00 a.m.